



# Q2

## A newsletter of developments at QuasarSystems

Issue 58 - March 2009

This forum is used to inform you of changes and enhancements we've made to our Reinsurance Administration System as we continue to improve the processing of *R<sup>2</sup> - The Reinsurance Resolution*.

## Age Changes

Age changes always require that the policy be reversed back to issue date. Right? Well.....in most cases, yes, but not always. Below are five scenarios involving age changes that show how the policy will reverse. All policies are paid current.

**#1** - Policy Q20320091 has a policy date of 1-Jan-2000 and also has an incorrect age listed in the extract. Administrator Robbie Reader *changed the age* in the billing extract, but *left the insured's birthdate* as it was. Robbie also *added a change date* of 1-Jan-2008.

Policy Q20320091 reversed back to issue, with 9 durations of AC transactions using the age stored in the inforce files, and then paid 9 durations forward with the new extract issue age. The forward transactions also showed a transaction code of AC, and calculated new premiums based on the new age from the extract. The change date was not a factor in the transactions.

**#2** - Policy Q20320092 has a policy date of 15-Jan-2001. Administrator Mary Markup has just been told the insured's birthdate information is wrong, but the age in the extract is correct. Mary *changes the birthdate to the correct date*, *does not change the age*, and *adds a change date* of 15-Jan-2008.

Policy Q20320092 will not reverse back to issue. A BD transaction with a zero premium adjustment will be made for the policy duration connected with the extract change date (in this case, duration 8). In other words, why reverse the premium and bring it back on when it has been calculating correctly anyway.

**#3** - Betty Bluesky has noticed that the *age and birthdate information* for Policy Q20320093 *are incorrect*. So Betty changes both fields in the billing extract, and *adds a change date* of 1-Feb-2008. Q20320093's policy date is 1-Feb-2005.

Policy Q20320093 reversed back to issue, with 3 durations of AC transactions using the age and birthdate stored in the inforce files, and then paid 3 durations forward with the new extract issue age and birthdate. The forward transactions also used the transaction code of AC and calculated new premiums based on the new age provided in the extract. The change date was not a factor in the transactions.

**#4** - Allen Allgone finds that policy Q20320094 has the same problem that Robbie just fixed, where only the age is incorrect. Allen *codes the correct age in the billing extract and leaves the birthdate alone*. He then decides *adds a change date* of 15-Feb-2008 and a *manual override M*. The policy's issue date is 15-Feb-2004.

Policy Q20320094 reversed back to issue, with 4 durations of AC transactions using the age stored in the inforce files, and then paid 4 durations forward with the new extract issue age. The forward transactions also showed a transaction code of AC, and calculated new premiums based on the new age from the extract. Neither the change date nor the manual override are a factor in the transactions.

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## Age Changes continued

#5 - Sammy Sings needs to correct policy Q20320095. The age and birthdate are incorrect. Sammy corrects the age and the birthdate in the billing extract, and then adds a change date of 1-Mar-2008 and a manual override M. Policy Q20320095 has an issue date of 1-Mar-2003.

Policy Q20320095 will make use of the change date and only reverse back 1 duration. The reversal will be an OF (off) transaction using the age and birthdate stored in the starting inforce. It will then pay forward 1 duration with an ON transaction, using the new extract age and birthdate to calculate premiums.

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Below is a quick summary of the five cases for your reference, showing what changed in the situation and the results.

- |    |               |  |
|----|---------------|--|
| #1 | Changed:      | Age only   |
|    | Transactions: | Age Changes that reverse back to issue.                          |
|    | Change Date:  | Ignored  |
| #2 | Changed:      | Birthdate only   |
|    | Transactions: | Birthdate Change back to change date.                            |
|    | Change Date:  | Used   |
| #3 | Changed:      | Age and Birthdate  |
|    | Transactions: | Age Changes that reverse back to issue.                          |
|    | Change Date:  | Ignored  |
| #4 | Changed:      | Age and Manual Override M  |
|    | Transactions: | Age Changes that reverse back to issue.                          |
|    | Change Date:  | Ignored  |
| #5 | Changed:      | Age, Birthdate, and Manual Override M                            |
|    | Transactions: | Off transaction to change date, On transaction from change date. |
|    | Change Date:  | Used   |

## Class Code and Printer Output

You may (or may not) have noticed that class code was not on all of our printer output. It has been on the valuation reports, and is located in the electronic files, but it never appeared on the transaction report. Until now.

We are in the process of changing that. The nonexpanded release of Qsre01p.exe vm 44b & Qsre02p.exe vm28n, along with a new language file for report headings, now list class codes on the transaction reports. The expanded version of Qsre01p and Qsre02p are in the works now. Valuation reports continue to show the three fields, but we have moved class code to be consistent with our other output. Both types of reports now list the fields as class, sex, and smoke. And to make it a bit easier on the eyes, the Policy Summary program (Qsre20p) has also been changed to be consistent.



**Madison  
National Life**

## User Group Meeting 2009

The invites for the 2009 User Group Meeting have been sent out. If you did not receive one (or can't find yours), please log onto our website - [www.qsi-r2.com](http://www.qsi-r2.com) - and check out the User Group Page. There you will find a meeting agenda, information on accommodations, and a registration form. Remember, replies need to be received by 31-May-2009.

**We would be delighted to answer any questions you might have. If you would like a back issue of Q<sup>2</sup> please check our website at [www.qsi-r2.com](http://www.qsi-r2.com) and visit the Documentation page. The main topics of past issues were:**

- |  |   |  |
|--|---|--|
| Issue 1 - Multiple Life Processing                               | Issue 21 - Standards for Backup Procedures                      | Issue 38 - Dates in R <sup>2</sup>                                     |
| Issue 2 - Retention Management                                   | Issue 22 - Warnings and Errors                                  | Issue 39 - Cleaning up System Directories; tracing through TX database |
| Issue 3 - Trailers, Help Screens Producer                        | Issue 23 - Manual Overrides and Conversions                     | Issue 40 - Sequences; Status 19  |
| Issue 4 - Report Generator and Retention Schedules               | Issue 24 - CF Flags and Resorting                               | Issue 41 - Expanded System   |
| Issue 5 - Transaction Processing and Reinsurance Overrides       | Issue 25 - Parsing  | Issue 42 - Technical Considerations                                    |
| Issue 6 - Input Extracts   | Issue 26 - Manual Override O, Qsxt19p                           | Issue 43 - Allocate Error  |
| Issue 7 - Schedule S   | Issue 27 - Priors and Allocation                                | Issue 44 - Automating routine processing; Testing                      |
| Issue 8 - Report Generator                                       | Issue 28 - Premium & Allowance Information                      | Issue 45 - RM Duplicate Report   |
| Issue 9 - Year 2000  | Issue 29 - Command Line Ad-hoc, qsre10p.exe                     | Issue 46 - Printing Rate Tables  |
| Issue 10 - Backups   | Issue 30 - Schedule S, Financial Adjustments                    | Issue 47 - Valuation Reserve Options                                   |
| Issue 11 - Viewing Inforce Files                                 | Issue 31 - Hot Keys, Printing Files, Electronic Files           | Issue 48 - Coding Valuation Reserves                                   |
| Issue 12 - Extracting Test Data, Status Codes, Transaction Codes | Issue 32 - Event Extracts, How to Rerun a Previous Cycle        | Issue 49 - Side Files  |
| Issue 13 - Trailers  | Issue 33 - Electronic Output Viewing Package, Manual Override T | Issue 50 - Going Paperless   |
| Issue 14 - R <sup>2</sup> Windows                                | Issue 34 - End of Year Processing                               | Issue 51 - Manual Override F   |
| Issue 15 - What's in a footer?                                   | Issue 35 - Initializing New Company Area                        | Issue 52 - Anatomy of an Error Message                                 |
| Issue 16 - Expanded Files  | Issue 36 - Programs in Review                                   | Issue 53 - Transaction Codes   |
| Issue 17 - Retention Management, Reserves Q&A                    | Issue 37 - Waivers: Past and Present                            | Issue 54 - Gross Premium and Allowances                                |
| Issue 18 - T\$POSrt.Idx, Trailers Q&A                            |   | Issue 55 - Suppressed Errors Report and Qsrf01p                        |
| Issue 19 - Sorting Files   |   | Issue 56 - Dual Use Programs   |
| Issue 20 - Testing Billing/Valuation Samples                     |   | Issue 57 - Ad-Hoc Enhancements   |
|  |   | Issue 58 - Age Changes   |

The current version of the Electronic Output Viewing Package is 02d.



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